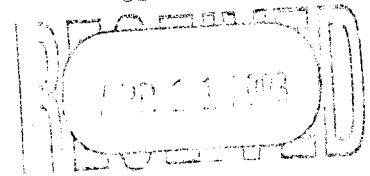


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01392A
Oak Creek Water Co., No 1
90 Oak Creek Blvd
Sedona AZ 863360000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2002
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FOR COMMISSION USE

ANN 04	02
--------	----

*Entered
4-14-03
C.M.
2002
assessment db
update
C.M.*

COMPANY INFORMATION

Company Name (Business Name) Oak Creek Water Co. No. 1

Mailing Address 90 Oak Creek Blvd.

(Street)

Sedona, AZ 86336

(City)

(State)

(Zip)

(928) 282-3404

(928) 282-3404

(928) 300-3835/ 300-3838

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address ocw @ kachina.net

Local Office Mailing Address _____

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: John Madzik president

(Name)

(Title)

55 Ross Circle, Sedona, AZ 86336

(Street)

(City)

(State)

(Zip)

(928) 282-5431

(928) 282-3404

(928) 300-3838

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address ocw @ kachina.net

On Site Manager: Steve Yerich

(Name)

2860 Hwy 179, Sedona, AZ 86336

(Street)

(City)

(State)

(Zip)

(928) 282-7084

(928) 282-3404

(928) 300-3835

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address ocw @ kachina.net

Statutory Agent: Ronald N. Rovey

(Name)

1785 W. Highway 89A, Ste. 3-I, Sedona, AZ 86336

(Street)

(City)

(State)

(Zip)

(928) 282-1155

(928) 282-1096

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: same as Statutory Agent

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	-	-	-
302	Franchises	4,277	1,354	2,923
303	Land and Land Rights	15,111	-	15,111
304	Structures and Improvements	224,717	54,805	169,912
307	Wells and Springs	94,538	18,901	75,637
311	Pumping Equipment	23,681	23,681	-
320	Water Treatment Equipment	-	-	-
330	Distribution Reservoirs and Standpipes	160,246	114,113	46,133
331	Transmission and Distribution Mains	568,888	348,799	220,089
333	Services	13,259	8,870	4,389
334	Meters and Meter Installations	24,195	22,307	1,888
335	Hydrants	5,759	4,474	1,285
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	-	-	-
340	Office Furniture and Equipment	4,245	2,502	1,743
341	Transportation Equipment	25,636	25,636	-
343	Tools, Shop and Garage Equipment	45,404	45,404	-
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communication Equipment	20,329	16,237	4,092
347	Miscellaneous Equipment	1,493	1,493	-
348	Other Tangible Plant	-	-	-
	TOTALS	1,231,777	688,576	543,201

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME: Oak Creek Water Co. No. 1

CALCULATION OF DEPRECIATION EXPENSES FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
301	Organization Costs	-		-
302	Franchises	4,277	0.00%	-
303	Land and Land Rights	15,111	0.00%	-
304	Structures and Improvements	224,717	3.33%	7,483
307	Wells and Springs	94,538	3.33%	3,148
311	Pumping Equipment	23,681	12.50%	-
320	Water Treatment Equipment	-		-
330	Distribution Reservoirs and Standpipes	160,246	2.22%	3,557
331	Transmission and Distribution Mains	568,888	2.00%	11,378
333	Services	13,259	3.33%	442
334	Meters and Meter Installations	24,195	8.33%	2,015
335	Hydrants	5,759	2.00%	115
336	Backflow Prevention Devices	-		-
339	Other Plant and Misc. Equipment	-		-
340	Office Furniture and Equipment	4,245	6.67%	283
341	Transportation Equipment	25,636	20.00%	2,137
343	Tools, Shop and Garage Equipment	45,404	5.00%	(1,866)
344	Laboratory Equipment	-		-
345	Power Operated Equipment	-		-
346	Communication Equipment	20,329	10.00%	2,033
347	Miscellaneous Equipment	1,493	10.00%	15
348	Other Tangible Equipment	-		-
	TOTALS	1,231,777		30,740

This amount goes on Comaprative Statement of Income and Expense
Acct. No, 403.

COMPANY NAME: Oak Creek Water Co. No. 1

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 43,399	\$ 59,177
134	Working Funds		
135	Temporary Cash Investments	115,727	197,851
141	Customer Accounts Receivable	15,365	14,586
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	8,582	8,582
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	3,762	1,534
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 186,835	\$ 281,730
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,229,113	\$ 1,231,777
103	Property Held for Future Use		
105	Construction Work in Progress	-	115
108	Accumulated Depreciation - Utility Plant	(657,837)	(688,576)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 571,276	\$ 543,316
	TOTAL ASSETS	\$ 758,111	\$ 825,046

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	2,120	1,595
237	Accrued Taxes	8,141	6,867
241	Miscellaneous Current and Accrued Liabilities	7,295	5,968
	TOTAL CURRENT LIABILITIES	\$ 17,556	\$ 14,430
	LONG-TERM DEBT (Over 12 Months)		
224	Long Term Note & Bonds	\$ -	\$ -
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advances in Aid of Construction	218,245	218,175
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	355,130	355,130
272	Less: Amortization of Contributions	(247,640)	(258,480)
281	Accumulated Deferred Income Tax		
	Total Deferred Credits	\$ 325,735	\$ 314,825
	Total Liabilities	\$ 343,291	\$ 329,255
201	Common Stock Issued	\$ -	\$ -
211	Paid in Capital in Excess of Par Value	17,605	17,605
215	Retained Earnings	397,214	478,186
218	Property Capital (Sole Props and Partnerships)	-	-
	Total Capital	\$ 414,819	\$ 495,791
	TOTAL LIABILITIES AND CAPITAL	\$ 758,110	\$ 825,046

COMPARATIVE STATEMENT OF INCOME AND EXPENSES

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 222,493	\$ 284,497
460	Unmetered Water Revenue		
474	Other Water Revenues	12,145	6,817
	TOTAL REVENUES	\$ 234,638	\$ 291,314
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 78,027	\$ 88,417
610	Purchased Water		365
615	Purchased Power	33,574	37,474
618	Chemicals		
620	Repairs and Maintenance	11,956	16,030
621	Office Supplies and Expenses	7,787	10,754
630	Outside Services	4,530	4,740
635	Water Testing	5,563	2,577
641	Rents	75	-
650	Transportation Expenses	2,298	2,763
657	Insurance - General Liability	3,846	4,043
659	Insurance - Health and Life	4,341	5,062
666	Regulatory Commission Expense - Rate Case	4,025	-
675	Miscellaneous Expense	3,046	2,581
403	Depreciation Expense	39,161	19,900
408	Taxes Other Than Income	6,209	6,978
408.11	Property Taxes	11,140	10,548
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 215,578	\$ 212,232
	OTHER INCOME/EXPENSES		
419	Interest and Dividend Income	\$ 3,519	\$ 1,977
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(81)	(87)
	Total Other Income/Expenses	\$ 3,438	\$ 1,890
	Net Income/Loss	\$ 22,498	\$ 80,972

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ -0-
Meter Deposits Refunded During the Test Year	\$ -0-

COMPANY NAME Oak Creek Water Co. No. 1

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-603919	30	130	125	8" - 7"	3"	1964
55-603920	20	80	117	8" - 7"	3"	1978
55-562092	75	320	590	10"	4"	1998

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	2	50	
10	2		
10	2		
5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
150,000	1	5,000	1
84,000	1	1,600	1
60,000	2	1,500	1

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	GAV	650
3		
4	PVC	6104
5		
6	PVC	42913
8	PVC	3190
10		
12		
1 1/4	GAV	700
2	PVC	780
8	Ductile Iron	303

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	627
1	15
1 1/2	18
2	7
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

Office/Storage	76' x 26'	Pump House	6' x 8'
Well House	6' x 8'	Metal Storage Shed	8' x 10'
Pump House	6' x 9'		
Pump House	10' x 10'		

OTHER:

COMPANY NAME: Oak Creek Water Co. No. 1

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	671	5,126,400	5,950,000
FEBRUARY	670	4,588,000	5,196,600
MARCH	672	6,101,900	6,738,400
APRIL	678	8,079,600	9,085,200
MAY	678	9,414,600	10,591,100
JUNE	679	13,637,000	14,524,600
JULY	680	15,196,500	16,789,100
AUGUST	682	10,313,500	11,292,400
SEPTEMBER	679	8,704,700	9,618,100
OCTOBER	678	7,946,500	8,582,200
NOVEMBER	679	5,086,700	5,331,500
DECEMBER	673	5,658,700	6,113,300
TOTAL		N/A	109,812,500

99854100 cm

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. _____ mg/l

(If more than one well, please list each separately) Testing 5/21/02 Turner Laboratories Inc, Tucson

Well #2- .011 mg/l, Well #3- .010 mg/l, Well #4- .010 mg/l

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Oak Creek Water Co. No. 1 YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 11,210.91

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME Oak Creek Water Co. No. 1YEAR ENDING 12/31/2002**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>-0-</u>
Estimated or Actual Federal Tax Liability	<u>-0-</u>

State Taxable Income Reported	<u>-0-</u>
Estimated or Actual State Tax Liability	<u>-0-</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>-0-</u>
Amount of Gross-Up Tax Collected	<u>-0-</u>
Total Grossed-Up Contributions/Advances	<u>-0-</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

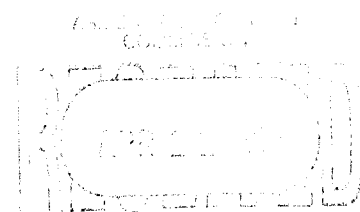
Cynthia N. Rovey
SIGNATURE

4/7/03
DATE

Cynthia N. Rovey
PRINTED NAME

Secretary/treasurer
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Cynthia N. Rovey, Secretary/treasurer</u>
COMPANY NAME
<u>Oak Creek Water Co. No. 1</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 318,292

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 26,978
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

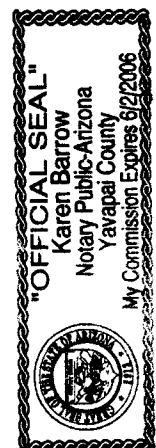
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 7th DAY OF

(SEAL)

MY COMMISSION EXPIRES 6/2/2006

Cynthia N. Rovey
SIGNATURE OF OWNER OR OFFICIAL
(928) 282-3404
TELEPHONE NUMBER
Karen Barrow
COUNTY NAME
Yavapai
MONTH April YEAR 2003
Karen Barrow
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Yavapai</u>	
NAME (OWNER OR OFFICIAL) <u>Cynthia N. Barrow</u>	TITLE <u>Secretary/treasurer</u>
COMPANY NAME <u>Oak Creek Water Co. No. 1</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

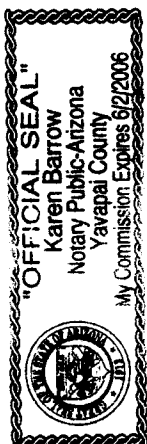
ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 197,261

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 16,720
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Cynthia N. Barrow
SIGNATURE OF OWNER OR OFFICIAL



SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

7th

DAY OF

(SEAL)

MY COMMISSION EXPIRES 6/2/2006

NOTARY PUBLIC NAME <u>Karen Barrow</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>April</u>	20 <u>03</u>

x Karen Barrow
SIGNATURE OF NOTARY PUBLIC

5415

OAK CREEK WATER CO., NO. 1

90 OAK CREEK BLVD.
SEDONA, AZ 86336
(928) 282-3404

BANK OF AMERICA, ARIZONA

91-170/1221

4/24/2002



TO THE
ORDER OF

Yavapai Cnty Treasurer

\$ **5,931.30

Five Thousand Nine Hundred Thirty-One and 30/100*****

DOLLARS

Yavapai Cnty Treasurer
1015 Fair Street
Prescott, AZ 86305

Cynthia W. Kiley
AUTHORIZED SIGNATURE

MEMO

parcels 918-70-976, 918-70-970

⑈005415⑈ ⑆122101706⑆ 000252410980⑈

⑈0000593130⑈

24502882 1815 CREDIT TO PAYEE'S ACCT
21556 2801 ENDORSEMENT GUARANTEED
28658264 BANK ONE, N.A.
1221-00824

APR 24 2002
12:00 PM
BANK OF AMERICA
SEDONA, AZ

0 0 1 7 1 4 4 0 0 0

5577

OAK CREEK WATER CO., NO. 1

90 OAK CREEK BLVD.
SEDONA, AZ 86336
(928) 282-3404

BANK OF AMERICA, ARIZONA

91-170/1221

10/22/2002

PAY

TO THE
ORDER OF

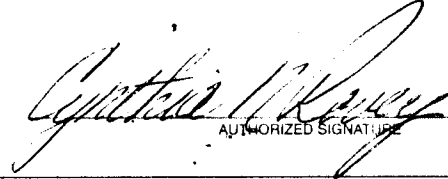
Yavapai Cnty Treasurer

\$ **5,279.61

Five Thousand Two Hundred Seventy-Nine and 61/100*****

DOLLARS

Yavapai Cnty Treasurer
1015 Fair Street
Prescott, AZ 86305


AUTHORIZED SIGNATURE

MEMO

parcels 918-70-976, 918-70-970, 408-26-500

⑈005577⑈ ⑆122101706⑆ 000252410980⑈

⑈000052796⑈

000052796⑈ 10/22/02 000052796⑈
BANK ONE, NA. 11888 0000
122100024 20658264 BANK ONE, NA.
1221-00024

BANK ONE, NA.
122100024
10/22/02

55667069
0000527962 WEIGHTED 478
01/07/29 VS DATE 10/22/02
10/22/02 E2261 01 F01 P14 E C 051 AZ
122100024

89